

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

April 2007

Summary

Revenue collections increased in April, growing by 8.8 percent, driven by strong retail sales and motor vehicle sales tax collections. On a year-to-date basis, growth is up 2.7 percent, ahead of the forecast of 0.5 percent growth.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections fell by 3.4 percent in April. Annual collections through the first ten months of fiscal year 2007 are down 1.4 percent, slightly behind the 1.0 percent decrease expected in the official forecast.

One of the most visible records in gasoline markets is the U.S. average retail price for regular gasoline. At \$3.054 per gallon on EIA's latest weekly retail price survey (May 7), this price is just a penny-and-a-half shy of the all-time record (in nominal dollars) of \$3.069 per gallon set on September 5, 2005, about a week after Hurricane Katrina ravaged Gulf Coast oil production and refineries. The four-week average for gasoline demand is now just 1.0 percent above year-ago levels, reflecting some slowing of demand growth from the typical trend in recent years. Increasing supply and slowing demand growth is expected to reduce prices slightly over the next several weeks. EIA projects a U.S. average retail price in the \$2.90s during June and July, after averaging above \$3.00 per gallon in May.

Motor Vehicle Sales and Use Tax

Vehicle sales tax collections increased by 15.1 percent in April. Growth in this source is down 1.2 percent for the year, slightly ahead of the official estimate of a 1.7 percent decline.

The expectation of weaker sales in the coming months is predicated on several factors: continued erosion in consumer credit conditions, tighter lending standards, forward buying of previous years, continuation of the shift by U.S. makers away from reliance on fleet sales and the expectation of higher gasoline prices through the summer.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 19.2 percent in April. Collections in this source are up 11.9 percent in fiscal year 2007.

Motor Vehicle Licenses

Motor Vehicle Registrations increased by 9.9 percent in April. Collections of \$15.0 million were higher than the \$13.7 million collected last April. Motor vehicle license receipts are up 2.7 percent for the year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	Change	
Motor Fuel Taxes	\$861,600	22.46	\$64,237	\$66,490	(3.4)	\$643,148	\$652,206	(1.4)	(1.0)
Priority Transportation Fund	20,000	0.52	2,000	2,000	0.0	16,000	16,000	0.0	0.0
Motor Vehicle Sales and Use Tax	618,300	16.12	50,415	43,790	15.1	506,362	512,369	(1.2)	(1.7)
State Sales and Use Tax	508,700	13.26	46,610	39,103	19.2	434,810	388,739	11.9	6.8
Motor Vehicle License Fees	170,400	4.44	15,033	13,684	9.9	140,584	136,876	2.7	0.6
International Registration Plan	62,400	1.63	3,385	6,008	(43.7)	44,720	46,759	(4.4)	3.0
Interest Earnings	33,800	0.88	14,011	8,546	63.9	38,643	22,794	69.5	(12.5)
Misc. Taxes, Fees, and Revenues (a)	12,700	0.33	951	1,092	(12.9)	10,121	9,825	3.0	5.9
Total State Taxes and Fees (a)	\$2,287,900	59.64	\$196,642	\$180,713	8.8	\$1,834,388	\$1,785,568	2.7	0.5

Percentage is greater than or equal to 1,000%.

(a) Certain Fiscal Year 2007 year-to-date and Fiscal Year 2006 monthly and year-to-date amounts have been reclassified. Refer to (a) on page 5 for additional information.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Est
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$743,300	19.38	\$56,046	\$54,905	2.1	\$555,258	\$561,832	(1.2)	(1.2)
Motor Vehicle Sales and Use Tax	381,900	9.95	31,131	27,594	12.8	313,369	317,758	(1.4)	(2.1)
Motor Vehicle License Fees	149,200	3.89	13,095	11,970	9.4	122,689	119,833	2.4	0.6
International Registration Plan	62,400	1.63	3,385	6,008	(43.7)	44,720	46,759	(4.4)	3.0
Misc. Taxes, Fees, and Revenues (a)	12,700	0.33	951	1,092	(12.9)	10,121	9,825	3.0	5.9
Total State Taxes and Fees	\$1,349,500	35.18	\$104,608	\$101,569	3.0	\$1,046,157	\$1,056,007	(0.9)	(1.0)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$3,312	\$470	604.7	\$22,726	\$26,589	(14.5)	(100.0)
Miscellaneous Revenues (a)	10,600	0.27	1,137	1,090	4.3	14,432	19,487	(25.9)	(50.8)
Transfer (to) / from Transportation Trust Fund	286,303	7.46	0	0	-	231,205	186,199	24.2	53.8
Total Highway Maintenance and Operating Fund	\$1,646,403	42.91	\$109,057	\$103,129	5.7	\$1,314,520	\$1,288,282	2.0	2.4
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$118,300	3.08	\$8,191	\$11,585	(29.3)	\$87,890	\$90,374	(2.7)	(0.1)
Priority Transportation Fund	20,000	0.52	2,000	2,000	0.0	16,000	16,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	236,400	6.17	19,284	16,196	19.1	192,993	194,611	(0.8)	(0.9)
State Sales and Use Tax	508,700	13.26	46,610	39,103	19.2	434,810	388,739	11.9	6.8
Motor Vehicle License Fees	21,200	0.55	1,938	1,714	13.1	17,895	17,043	5.0	0.6
Interest Earnings	33,800	0.88	14,011	8,546	63.9	38,643	22,794	69.5	(12.5)
Total State Taxes and Fees	\$938,400	24.46	\$92,034	\$79,144	16.3	\$788,231	\$729,561	8.0	2.8
Other Revenues:									
Federal Grants and Contracts	\$1,354,852	35.32	\$40,705	\$38,677	5.2	\$505,195	\$374,680	34.8	181.8
Receipts from Cities/Counties (a)	69,303	1.81	2,341	4,246	(44.9)	39,841	39,153	1.8	46.4
Toll Revenues (Includes Route 28)	96,447	2.51	14,398	12,871	11.9	87,065	94,924	(8.3)	(15.0)
Miscellaneous Revenues	17,391	0.45	1,367	662	106.5	16,801	13,436	25.0	(21.0)
Total Other Revenues	\$1,537,993	40.09	\$58,811	\$56,456	4.2	\$648,902	\$522,193	24.3	131.8
Transfer (to) / from Highway Maintenance and Operating Fund	(\$286,303)	(7.46)	\$0	\$0	-	(\$231,205)	(\$186,199)	(24.2)	(53.8)
Total Transportation Trust Fund	\$2,190,090	57.09	\$150,845	\$135,600	11.2	\$1,205,928	\$1,065,555	13.2	57.5
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,836,493	100.00	\$259,902	\$238,729	8.9	\$2,520,448	\$2,353,837	7.1	27.9

Percentage is greater than or equal to 1,000%.

(a) A new line, "Miscellaneous Revenues", was added to the Highway Maintenance and Operating Fund Revenue Forecast. A portion of the amounts previously reported in "Miscellaneous Taxes, Fees, and Revenues" and "Receipts from Cities/Counties" were reclassified to "Miscellaneous Revenues." In order to provide comparable data, the Fiscal Year 2007 and Fiscal Year 2006 monthly and year-to-date amounts were likewise reclassified.